

Malawi Monthly Economic Report and a Summary of the 2025/2026 Budget Policy Statement

February 2025



Table of Contents

	Page
1. Executive Summary and Outlook	3
2. Economic Overview	5
I. Inflation	5
II. Foreign Currency Market	6
III. Foreign Reserve Position	6
IV. Stock Market	7
V. MSE Traded Values	8
VI. Published Financial Results	8
VII. Corporate Announcements by MSE Listed Companies	8
VIII. Government Securities	9
3. Fiscal and Monetary Policy Developments	10
4. Commodity Market Developments	11
5. An Overview of the 2025/2026 Budget Policy Statement	12
6. Appendices	17
7. Disclaimer	24
8. Contact Information	25

Inflation

The headline inflation rate increased to 28.5% in January 2025 from 28.1% in December 2024, primarily due to the increase in the food inflation rate to 36.0% in January 2025 from 35.6% in December 2024. The non-food inflation increased to 16.9% in January 2025 from 16.8% in December 2024.

The World Bank projects the inflation for 2025 at 27.3%, attributing inflationary pressures to rising food, housing, and utility costs, worsened by an increase in the money supply. The EIU projects inflation at 28.3%, citing deficit financing and currency depreciation, while Oxford Economics projects it at 21.0% due to base effects and better harvests alleviating food price pressures in the second half of the year.

In the 2025/2025 budget policy statement, the Government of Malawi projects the average inflation rate for the upcoming fiscal year to be 22.3%.

Foreign Currency Market and Reserves

Based on closing middle rates, the Malawi Kwacha was stable as it traded at MK1,749.65/USD as of 28 February 2025 from MK1,750.35/USD as of 31 January 2025.

In February 2025, the Reserve Bank of Malawi (RBM) conducted two foreign exchange auctions, raising USD0.25 million in total. According to the auction results, the RBM determined that the market selling price for the United States dollar remains at MK1,751.00/USD.

As of 31 December 2024, the country's total foreign exchange reserves increased by 2.7% to USD530.90 million from USD516.90 million in November 2024. The import cover remained at 2.1 months during the period under review.

Government Securities

In February 2025, the Government awarded MK544.25 billion through Treasury Bill (TB) and Treasury Note (TN) auctions in February 2025, a 98.1% increase from the MK274.73 billion awarded in January 2025. The average TB and TN yields were 20.67% and 31.95%, respectively.

Stock Market

The stock market continued its strong bullish momentum in February 2025, with the Malawi All Share Index (MASI) rising by 26.96% to 283,722.24 points at the end of February 2025 from 223,474.92 points at the end of January 2025. The MASI recorded a year-to-date return of 64.92% in February 2025. In February 2024, the year-to-date return was 1.88%.

FMBCH recorded the most significant share price gain in February 2025, surging by 120.43% to MK1,409.47 from MK639.42 in January 2025. Other notable gainers included NICO, AIRTEL, TNM, NITL, FDHB, SUNBIRD and NBM.

There were no significant share price losers in February 2025.

Fiscal and Monetary Policy

On 28 February 2025, the Minister of Finance presented the 2025/2026 budget policy statement in Parliament. For the 2025/2026 financial year, total revenue and grants are projected at MK5.58 trillion, equivalent to 21.5% of GDP. Total expenditure is estimated at MK8.05 trillion, accounting for 31.1% of GDP. This results in an overall fiscal deficit of MK2.47 trillion, or 9.5% of GDP. The deficit will be covered through domestic borrowing of MK2.33 trillion (9.0% of GDP) and foreign borrowing of MK145.78 billion.

As disclosed in the local debt issuance calendar, the government seeks to raise MK613.6 billion through TB and TN auctions in the first quarter of 2025. This is a 22.6 % rise from MK500.7 billion sought in the fourth quarter of 2024.

At its first meeting of 2025, held on January 29–30, the MPC decided to maintain the Policy Rate at 26.0%, the Lombard rate at 20 basis points above the policy rate, and the Liquidity Reserve Requirement (LRR) at 10.0% for local currency deposits and 3.75% for foreign currency deposits.

Commodity Market

According to the International Food Policy Research Institute (IFPRI), the retail maize price increased by 21% to MK1,283/kg in the last week of January 2025 from MK1,063/kg in December 2024. The year-on-year comparison shows that the retail maize price has increased by 44.6% from MK887/kg in January 2024.

The monthly average OPEC reference basket price decreased by 3.2% month-on-month to USD76.81/barrel in February 2025 from USD79.38/barrel in January 2025 and declined by 5.4% year-on-year from USD81.23/barrel in February 2024.

Economic Growth

For 2025, the real GDP growth forecasts for Malawi from various published sources range between 1.6% and 4.3% (median 4%). The forecasted rebound is due to a projected recovery of the agricultural sector that will arise because of anticipated better weather conditions.

The RBM projects a real GDP growth of 4.3% in 2025, reflecting anticipated good weather conditions and positive benefits from fully operationalizing the mega-farm investments.

Oxford Economics has trimmed its 2025 real GDP growth forecast from 3.5% to 2.6%. The downward adjustment reflects its expectations of a more subdued recovery in agricultural production and a slower moderation in inflation. It also anticipates economic activity in general to be hampered by significant forex and fuel supply shortages. In the short term, economic growth should be supported by robust tobacco production and the resumption of uranium production in the fourth quarter of 2025.

The EIU expects real GDP growth of 1.6% in 2025, up from an estimated 1.3% in 2024, as Foreign-currency shortages exacerbated by drought conditions weigh on agricultural output and power supply.

According to the World Bank, real GDP growth for 2025 is anticipated to reach 4.2% due to a stronger agricultural season and robust manufacturing output. In the medium-term, the Malawi economy is still susceptible to increasingly frequent climate-related disasters, expected investments not materializing, and the continued slow pace of macroeconomic adjustment and reform.

A Brief on the 2025/2026 budget policy statement

On 28 February 2025, the Minister of Finance presented the 2025/2026 Budget Policy Statement in Parliament. The budget has been set under the theme “Consolidating Gains, Strengthening Resilience and Inclusivity for Accelerated Social Economic Transformation”

According to the statement, in the 2024/2025 Financial Year (FY), total revenue, including grants, is estimated to close at MK4.35 trillion. Total expenditure is projected to close at MK6.14 trillion. The MK1.79 trillion deficit is estimated to be financed through domestic borrowing, amounting to MK1.59 trillion and foreign borrowing, amounting to MK196.49 billion.

For the 2025/2026 FY, total revenue and grants are estimated at MK5.58 trillion and total expenditure is set at MK8.05 trillion. The 2025/2026 FY's overall balance is estimated at a deficit of MK2.47 trillion. This deficit will be financed through domestic borrowing amounting to MK2.33 trillion and MK145.78 billion from foreign borrowing.

The Minister of Finance asserted that the Government is implementing measures to incentivize productivity, generate foreign exchange and seal the loopholes in foreign exchange management. The statement also recognized the high public debt, which amounted to MK16.19 trillion (86% of GDP) in September 2024 and highlighted that the Government, in principle, has reached agreements with all official bilateral creditors and is still negotiating with commercial creditors to restructure debt.

The statement proposes several structural reforms to deal with the challenges of price stabilisation and foreign exchange shortages. The Government aims to ensure price stability by developing a price stabilization policy with private sector input, strengthening supply chains, maintaining strategic reserves, and securing maize imports to bridge supply gaps before harvest. To enhance forex availability, the Government aims to foster sustainable foreign exchange sources, involve banks in export-driven sectors, strengthen legal frameworks, and combat illegal forex trading through an anti-forex crime unit and law enforcement. The Government also aims to promote export diversification, value addition, and digital trade while supporting local production by banning nonessential imports, incentivizing domestic manufacturing, and strengthening mining, tourism, and agriculture (ATM). Further, the Government also seeks to curb smuggling, operationalize key state enterprises, and engage international investors to link SMEs with major companies for local raw material supply.

Opportunities in Malawi

Agriculture: In February 2024, the Japanese Government provided a USD1 million (approximately MK1.8 billion) financial boost towards Sesame export promotion. Sesame, used for cooking oil production and in confectionary, is reported to do well in almost all climates in the country, with great resistance to dry weather conditions. The crop is guaranteed 200,000 metric tonnes (MT) of the export market in Japan, but production remains low in the country, only producing 11,000MT in 2024.

The World Bank noted that Malawi has made significant progress in developing the value chains of groundnuts, macadamia, and soybeans. Successful value chains spark adjacent activity, such as the poultry and fish feed industry for which soybeans constitute a significant input; honey and paprika, which

are being intercropped with macadamia; and the agro-input segment, where groundnuts and soybeans are enabling new companies to emerge in inputs such as seed and inoculant.

Tourism: Opportunities exist for hotel developments in Lilongwe, Mangochi and Mzuzu.

Mining: The World Bank highlights that the global shift toward renewable energy and electrification is increasingly mineral-intensive. By developing its mining sector, Malawi can attract foreign investment, create jobs, and stimulate economic growth while positioning itself as a crucial player in the green energy supply chain. Under the World Bank's baseline scenario, the mining sector grows gradually from 2026 to 2033, then rapidly starting in 2034 as all seven projects come online and reach full capacity. Between 2026 and 2040, the mining sector could generate a total of USD30 billion in exports, with annual exports reaching USD3 billion by 2034 and remaining broadly stable over the life of the mines. Under the best-case scenario, mining exports would total USD43 billion over 2025 – 2040, 43% above the baseline.

Risks

The Malawian economy has continued to face several significant risks, including, but not limited to, public debt status, weather-related shocks, inflation, reliance on aid, delays in debt restructuring, and currency depreciation. These risk factors may limit the country's potential for growth and worsen poverty.

According to the EIU, long delays in debt restructuring could impair government funding, leading to an abrupt rise in taxes. An abrupt increase in taxes could contract the economy.

According to the 2025/2026 budget statement, Malawi's public debt stood at K16.19 trillion in September 2024, representing 86.9% of GDP. Such a high level of indebtedness comes with significant risks. The large debt burden can strain government finances, reduce fiscal flexibility, and increase vulnerability to external shocks, potentially jeopardizing economic stability and growth.

Furthermore, Malawi faces inflation risk. In 2024, the average headline inflation was 32.2% (full-year average of 28.8% in 2023). The 2025 inflation projections for Malawi from various published sources range between 21.0% and 28.3%, with a median of 24.8%. Inflation is expected to ease due to the improvement of the agricultural sector, but downside risks to the outlook include deficit financing and exchange rate weakness.

According to a working paper from the Mwapata Institute, stronger storms have begun surviving long enough to impact Malawi, and data from the United States National Oceanic and Atmospheric Administration suggests that more extreme tropical weather can be expected in the future. Given the detrimental impact that weather-related shocks such as Cyclone Freddy have had on Malawi's economy, the threat of more weather-related shocks poses a significant risk.



In January 2025, the headline inflation rate increased by 0.4 percentage points to 28.5% from 28.1% in December 2024.

Projections for the average inflation rate in 2025 from various published sources range from 21.0% to 28.3%.

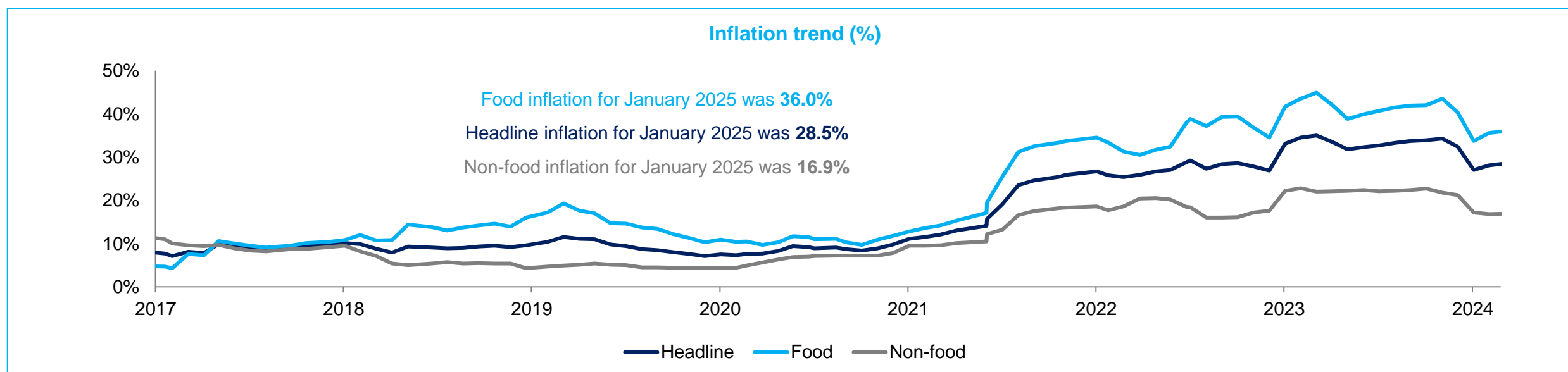
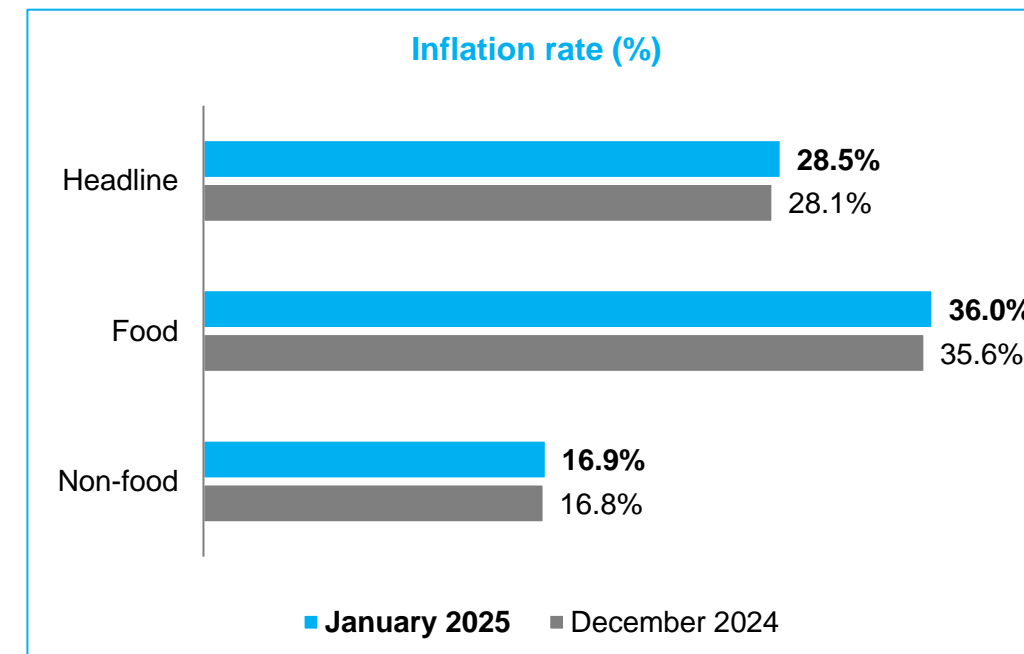
Economic overview

Inflation (Source: NSO, WB, IMF, EIU, IFPRI, Oxford Economics, Government of Malawi)

The headline inflation rate increased by 0.4 percentage points to 28.5% in January 2025 from 28.1% in December 2024. The increase in the headline inflation rate is primarily due to the rise in the food inflation rate to 36.0% in January 2025 from 35.6% in December 2024. The non-food inflation marginally increased by 0.1 percentage points to 16.9% in January 2025 from 16.8% in December 2024.

The Monetary Policy Committee (MPC), which held its first meeting in January 2025, expects inflation to slow down and reach 22.0% by the end of 2025. This is because of favourable base effects and a supportive monetary policy stance. However, the committee acknowledged that rising food prices, external sector imbalances, and fiscal pressures posed a risk to the expected disinflation.

According to the World Bank, the annual average inflation rate for 2025 is projected at 27.3% as rising prices for food, housing, and utilities continue to drive inflation and the underlying price pressures remain elevated. The EIU projects that inflation will remain elevated in 2025 at an average of 28.3% due to continued deficit financing ahead of the 2025 election. Oxford Economics projects that the annual average inflation will moderate to an average of 21.0% in 2025. In their view, food price inflation will remain elevated in the first half of 2025 due to the rise in the price of maize. Nevertheless, they expect that the base effects will help ease inflation in 2025, while better harvests will also reduce food price pressures in the second half of the year. In the 2025/2025 budget policy statement, the Government of Malawi projects the average inflation rate for the upcoming fiscal year to be 22.3%.





Economic overview (continued)

Foreign currency market and Foreign reserve position (Source: RBM)

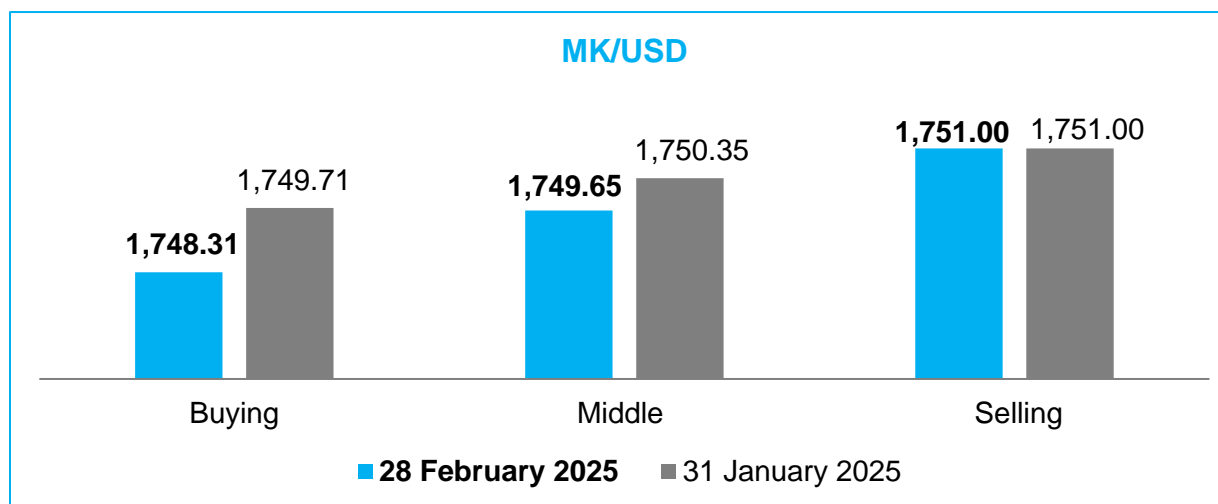
Based on closing middle rates, the Malawi Kwacha was stable as it traded at MK1,749.65/USD as of 28 February 2025 from MK1,750.35/USD as of 31 January 2025. During the same period last year, the Malawi Kwacha was also stable as it traded at MK1,698.50/USD as of February 2024 from MK1,697.80/USD as of January 2024.

As of 31 December 2024, the country's total foreign exchange reserves increased by 2.7% to USD530.90 million from USD516.90 million in November 2024.

Foreign Currency Market

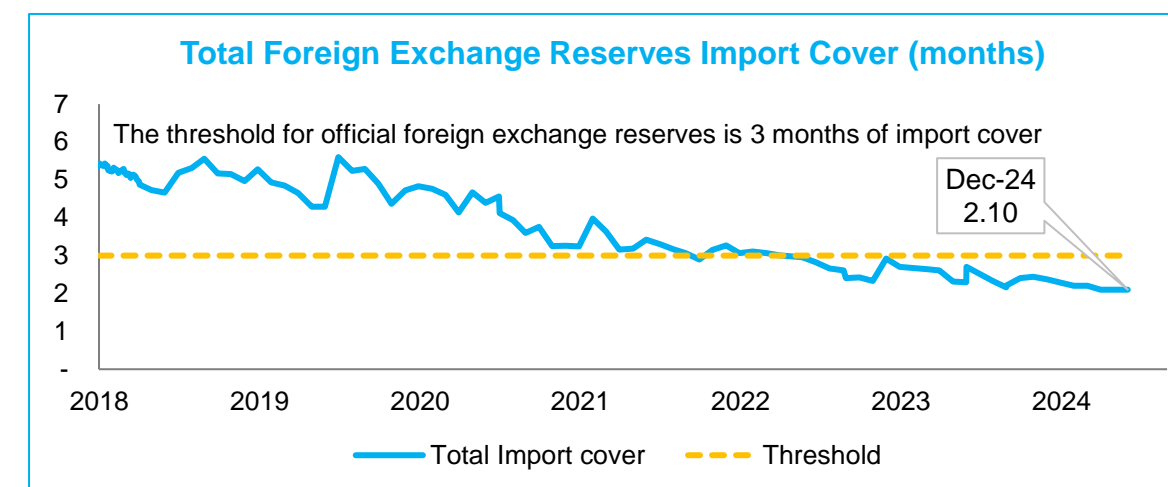
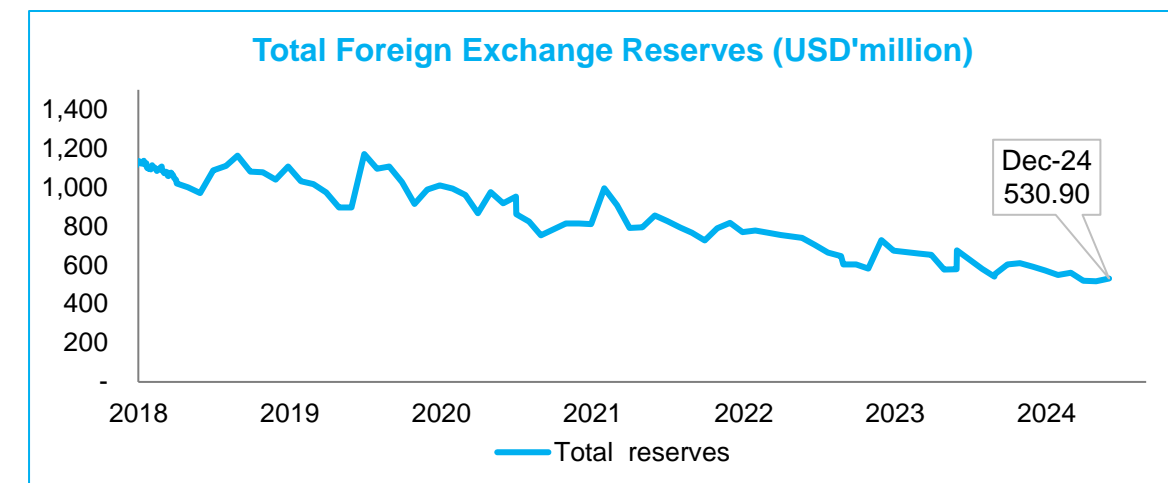
Based on closing middle rates, the Malawi Kwacha was stable as it traded at MK1,749.65/USD as of 28 February 2025 from MK1,750.35/USD as of 31 January 2025. During the same period last year, the Malawi Kwacha was also stable as it traded at MK1,698.50/USD as of February 2024 from MK1,697.80/USD as of January 2024.

The Reserve Bank of Malawi (RBM) held two foreign exchange auctions in February 2025, raising a cumulative sum of USD0.25 million. The RBM disclosed that based on the results of the auctions, the market selling price of the US dollar shall remain at MK1,751/USD.



Foreign Exchange Reserves Position

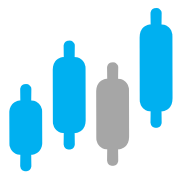
As of 31 December 2024, the country's total foreign exchange reserves increased by 2.7% to USD530.90 million from USD516.90 million in November 2024. The import cover remained at 2.1 months during the period under review. During the same period in the previous year, the total foreign exchange reserves were at USD675.59 million, which translated to 2.7 months of import cover.



	December 2024	November 2024	Month-on-month change (%)
Total Reserves (USD'millions)	530.9	516.9	2.7%
Total import cover (months)	2.1	2.1	0.0%

USD – United States Dollar

NB: The reported closing rates are actual trade-weighted market average Telegraphic Transfer rates.



Economic overview (continued)

Stock Market (Source: MSE)

The stock market was bullish in February 2025, with the MASI rising by 26.96% to 283,722.24 points from 223,474.92 points in January 2025.

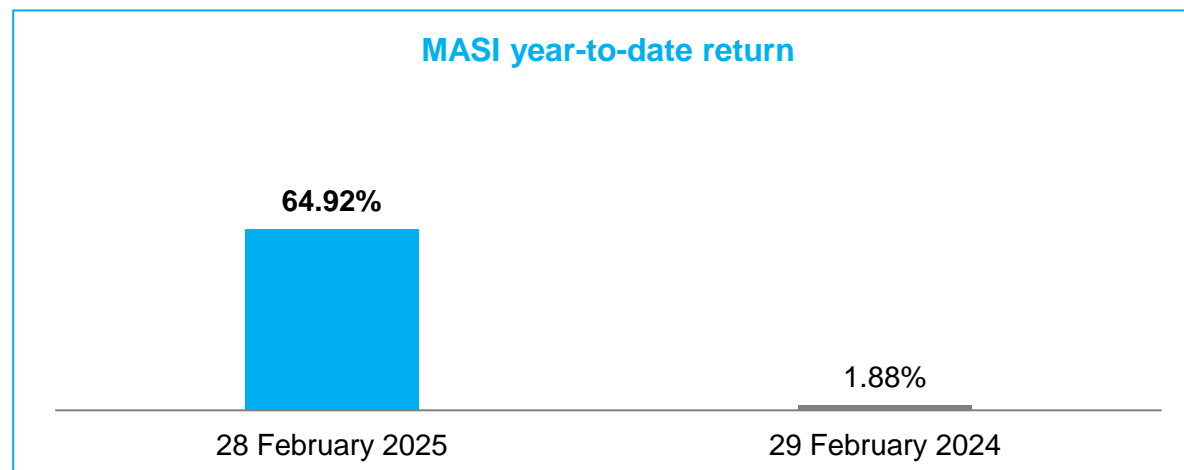
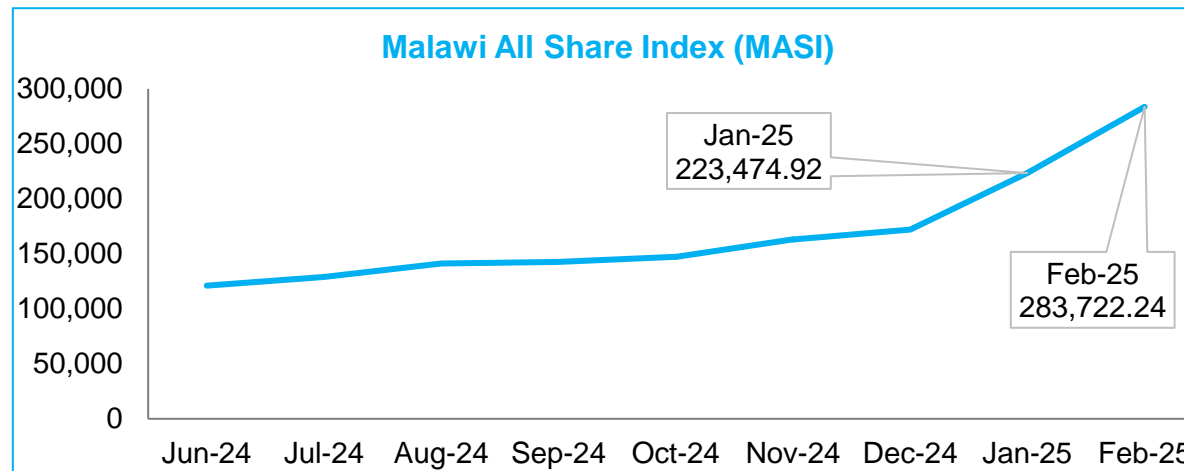
The MASI year-to-date return was 64.92% in February 2025.

Share price increases in FMBCH, NICO, AIRTEL, TNM, NITL, FDHB, SUNBIRD, and NBM drove the increase in the MASI.

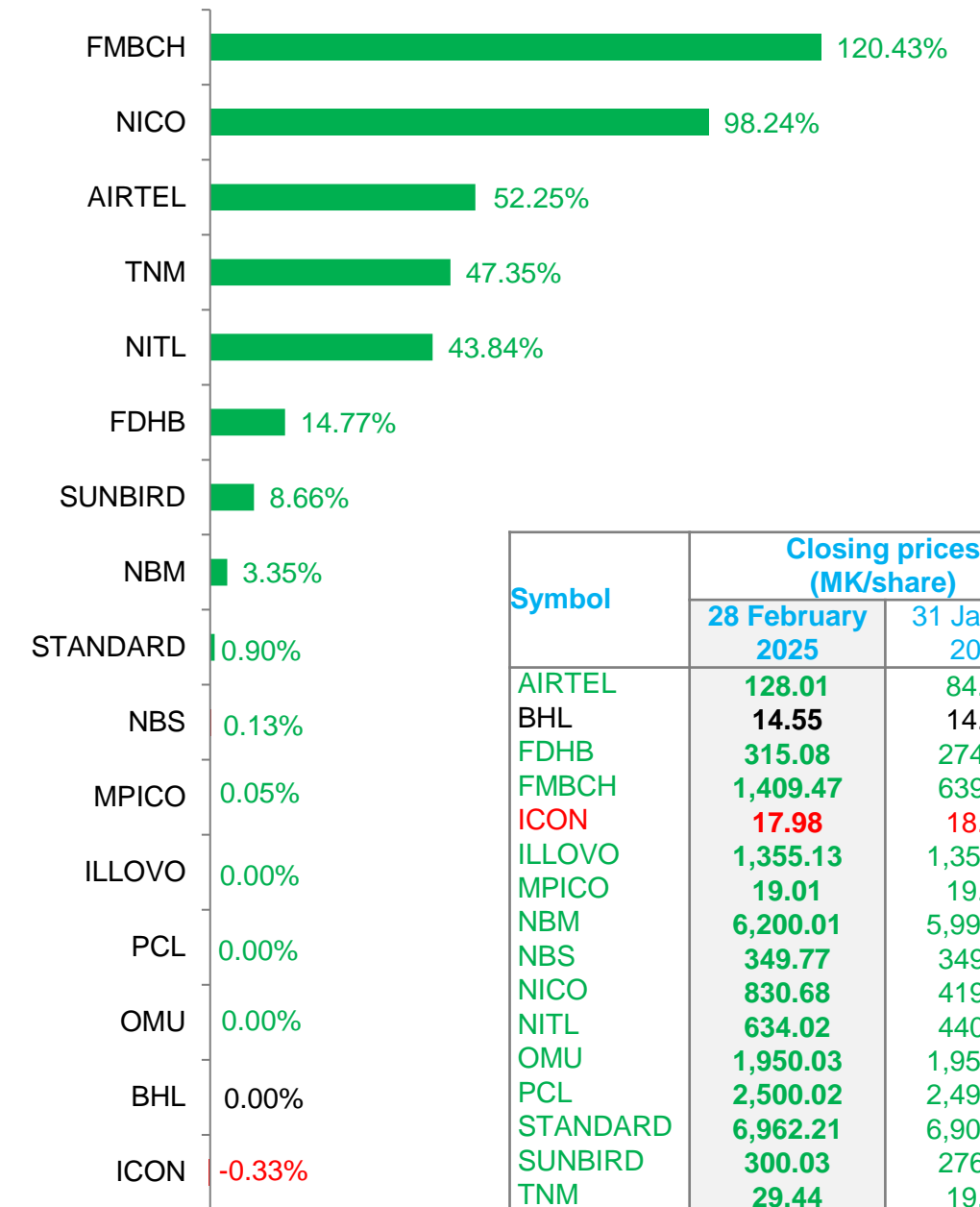
The stock market continued its strong bullish momentum in February 2025, with the Malawi All Share Index (MASI) rising by 26.96% to 283,722.24 points at the end of February 2025 from 223,474.92 points at the end of January 2025. The MASI recorded a year-to-date return of 64.92% in February 2025. In February 2024, the year-to-date return was 1.88%.

FMBCH recorded the most significant share price gain, surging by 120.43% to MK1,409.47 in February 2025 from MK639.42 in January 2025. Other notable gainers included NICO, AIRTEL, TNM, NITL, FDHB, SUNBIRD and NBM, with STANDARD, NBS, and MPICO recording marginal share price increases.

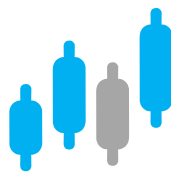
There was a marginal share price loss for ICON during the period under review.



Month-on-month share price percentage change (%)



Symbol	Closing prices (MK/share)	
	28 February 2025	31 January 2025
AIRTEL	128.01	84.08
BHL	14.55	14.55
FDHB	315.08	274.52
FMBCH	1,409.47	639.42
ICON	17.98	18.04
ILLOVO	1,355.13	1,355.09
MPICO	19.01	19.00
NBM	6,200.01	5,998.87
NBS	349.77	349.33
NICO	830.68	419.02
NITL	634.02	440.77
OMU	1,950.03	1,950.01
PCL	2,500.02	2,499.95
STANDARD	6,962.21	6,900.02
SUNBIRD	300.03	276.12
TNM	29.44	19.98



NICO had the highest value of shares traded in February 2025 at MK3.5 billion.

Press Corporation plc is currently engaged in exclusive negotiations to potentially sell its entire shareholding interest in Malawi Telecommunications Limited (MTL). The outcome of these negotiations may affect PCL's share price.

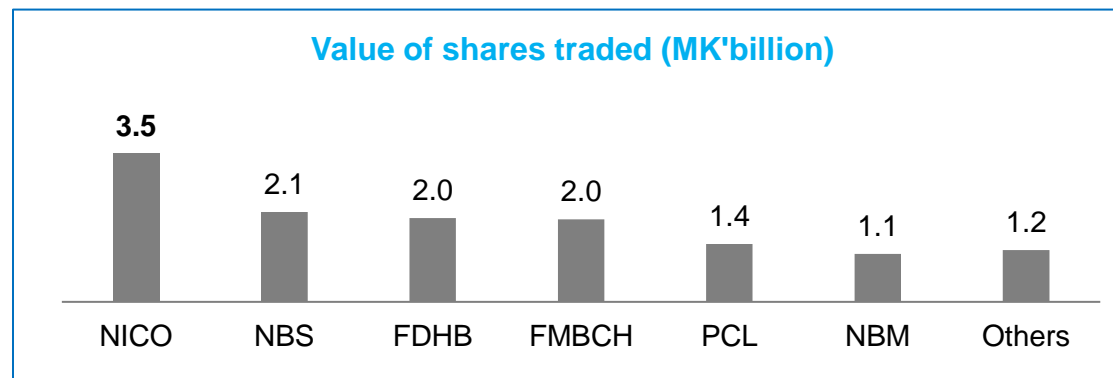
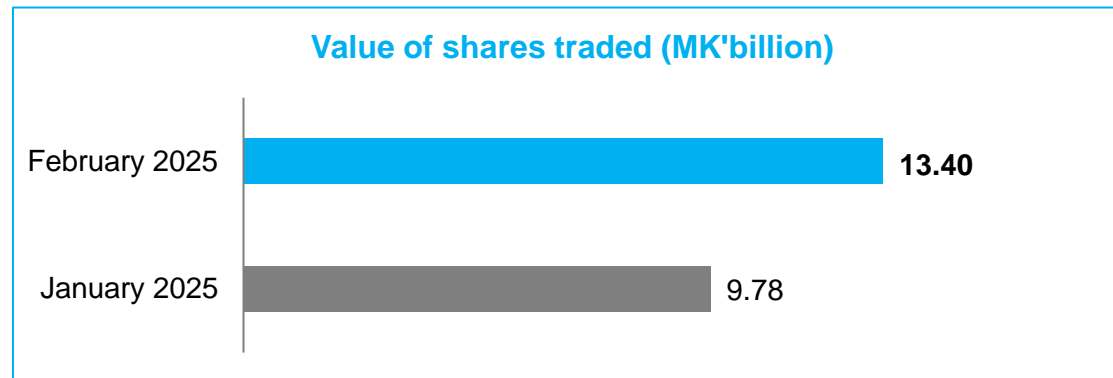
Economic overview (continued)

Stock Market (Source: MSE)

MSE Traded Values

Trading activity on the Malawi Stock Exchange (MSE) increased in February 2025, with the value of shares traded totaling MK13.40 billion, up 37.0% from the MK9.78 billion recorded in January 2025. NICO had the highest value of shares traded at MK3.5 billion in February 2025.

The total number of trades increased by 81.4% to 3,737 in February 2025 from 2,060 in January 2025.



Corporate Announcements

Published Financial Year Trading Statement

Companies listed on the MSE are required to release trading statements if their profits are expected to be different by more than 20% from the prior year's profits. Accordingly, almost all the companies listed on the MSE have issued trading statements in respect of profits for the year ending 31 December 2024. Below are the latest trading statement data:

All figures are in MK'billion (unless otherwise specified)

Counter	31 December 2024	31 December 2023	Trading Statement profit/loss expectation
AIRTEL	43.1 - 47.7	(15.40)	380% - 409%
BHL	(1.70) - (1.85)	(0.79)	114% - 133%
FDHB	72.9 - 75.2	35.60	105% - 111%
FMBCH	93.7 - 102.7**	78.7**	20%-30%
ICON	22.0 - 25.0	19.20	15% - 30%
ILLOVO	25.3 - 28.7*	22.4	13% - 28%
MPICO	11.4 - 12.8	7.10	61% - 81%
NBM	93.0 - 98.3	72.00	29% - 37%
NBS	68.6 - 72.5	29.40	133% - 147%
NICO	122.0 - 131.0	59.00	107% - 122%
NITL	28.0 - 30.5	21.50	30% - 42%
PCL	115.7 - 122.5	75.10	54% - 63%
STANDARD	78.8 - 86.7	52.50	50% - 65%
SUNBIRD	10.7 - 11.8	5.30	102% - 122%
TNM	8.1 - 9.1	(4.80)	271% - 291%

*: Figures for Illovo are for the six-month period ending 28 February 2025

** : Figures for FMBCH are in USD'million

Dividend Announcement

Counter	Dividend type	Proposed/Declared	Dividend per share (MK)	Last day to register	Payment date
ILLOVO	Final	Declared	5.00	21 March 2024	28 March 2025

Other announcements

- FDH Bank plc is prospecting to acquire a controlling stake in a bank within the African region in line with the bank's strategy to pursue regional growth. Shareholders are advised to exercise caution and consult their professional advisors, as the outcome could impact the bank's share price. FDH Bank Plc will provide a progress report in line with the MSE Listing Rules or as may otherwise be required.
- Press Corporation plc is currently engaged in exclusive negotiations to potentially sell its entire shareholding interest in Malawi Telecommunications Limited (MTL), which is 52.7% of MTL's total issued share capital. The outcome of these negotiations may affect PCL's share price.



Economic overview (continued)

Government securities (Source: RBM)

The government awarded MK544.25 billion through Treasury Bill (TB) and Treasury Note (TN) auctions in February 2025, a 98.1% increase from the MK274.73 billion awarded in January 2025.

As of 28 February 2025, the average TB and TN yields were 20.67% and 31.95%, respectively.

Treasury Bills (TBs)

In February 2025, the government sought to borrow MK87.89 billion through TB auctions, a 26.8% increase from the MK69.29 billion sought in January. Participants applied for MK163.26 billion, of which MK163.21 billion was awarded, reflecting a 19.7% increase from the MK136.36 billion awarded in January 2025. The auctions had a 0.03% rejection rate.

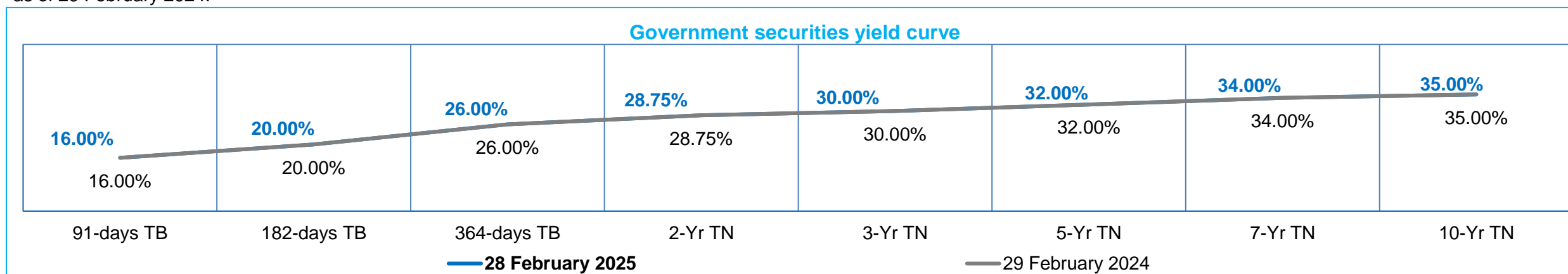
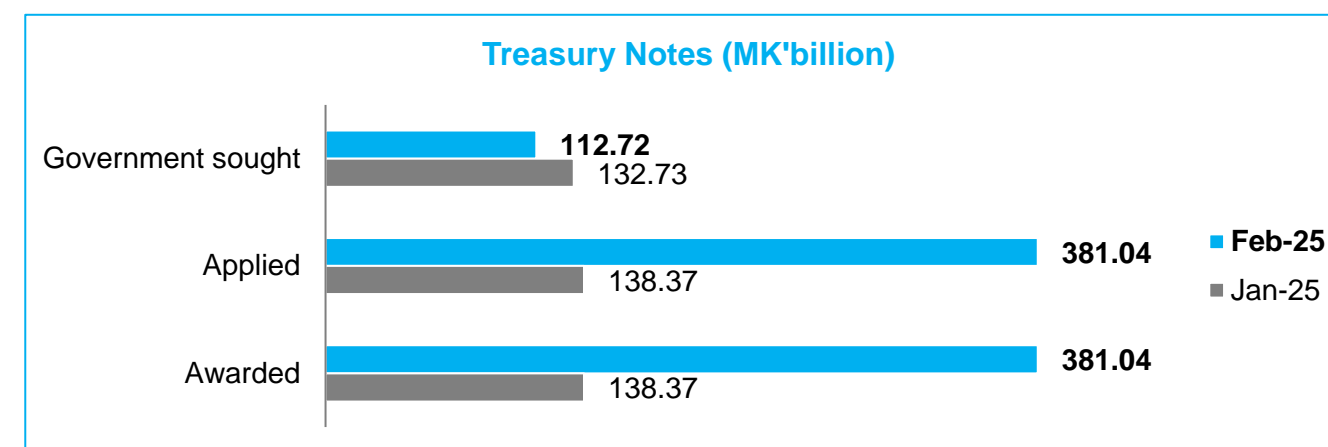
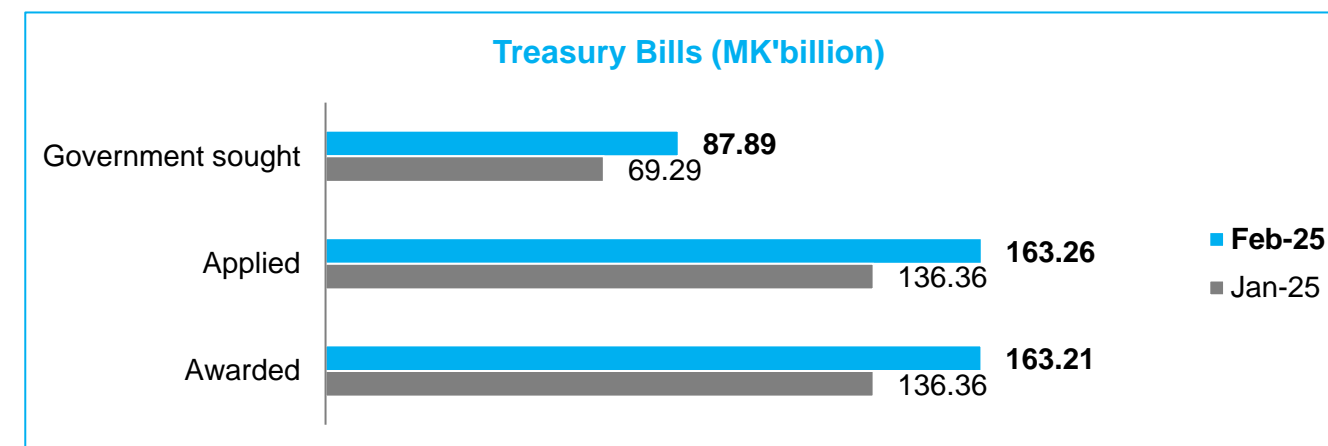
Treasury Notes (TNs)

In February 2025, the government sought to borrow MK112.72 billion through TN auctions, a 15.1% decrease from the MK132.73 billion sought in January 2025. Participants applied for MK381.04 billion, which was all awarded, reflecting a 175.4% increase from the awarded amount of MK138.37 billion in January 2025. The auctions had a nil rejection rate.

Government Securities Yield Curve

As of 28 February 2025, the 91, 182, and 364-day TB yields remained at 16.00%, 20.00%, and 26.00%, respectively. This resulted in an average TB yield of 20.67%, which was unchanged from the average yield of 20.67% as of 29 February 2024.

As of 28 February 2025, the 2, 3, 5, 7, and 10-year TN yields remained at 28.75%, 30.00%, 32.00%, 34.00%, and 35.00%, respectively. This resulted in an average TN yield of 31.95%, unchanged from the average yield of 31.95% as of 29 February 2024.





For the 2025/2026 financial year, total revenue and grants are projected at MK5.58 trillion and total expenditure is set at MK8.05 trillion resulting in an overall fiscal deficit of MK2.47 trillion.

At the first Monetary Policy Committee (MPC) meeting of 2025, held on January 29–30, the committee decided to maintain the Policy Rate at 26.0%, the Lombard rate at 20 basis points above the policy rate, and the Liquidity Reserve Requirement (LRR) at 10.0% for local currency deposits and 3.75% for foreign currency deposits.

Fiscal Policy (Source: Various published media, RBM)

On 28 February 2025, the Minister of Finance presented the 2025/2026 budget policy statement in Parliament. For the 2025/2026 financial year, total revenue and grants are projected at MK5.58 trillion, equivalent to 21.5% of GDP. Total expenditure is MK8.05 trillion, accounting for 31.1% of GDP. This results in an overall fiscal deficit of MK2.47 trillion, or 9.5% of GDP. The deficit will be covered through domestic borrowing of MK2.33 trillion (9.0% of GDP) and foreign borrowing of MK145.78 billion.

The Malawi Economic Forecast by Oxford Economics highlights that the country's fiscal space is under pressure as currency weakness and elevated inflation bloat government expenditures. Rapidly increasing domestic government debt raises concerns about the country's ability to meet its obligations, emphasizing the urgent need to conclude the protracted external debt restructuring. Nevertheless, the higher growth in nominal GDP in 2025 will help slightly improve the fiscal deficit and government debt ratios.

According to the RBM's monthly economic review, in December 2024, the central government experienced a fiscal deficit of MK243.9 billion, with total revenues amounting to MK351.0 billion and expenditures reaching MK595.0 billion. This marked a worsening financial situation from the deficit of MK171.0 billion in November 2024 compared to a surplus of MK28.9 billion recorded in December 2023.

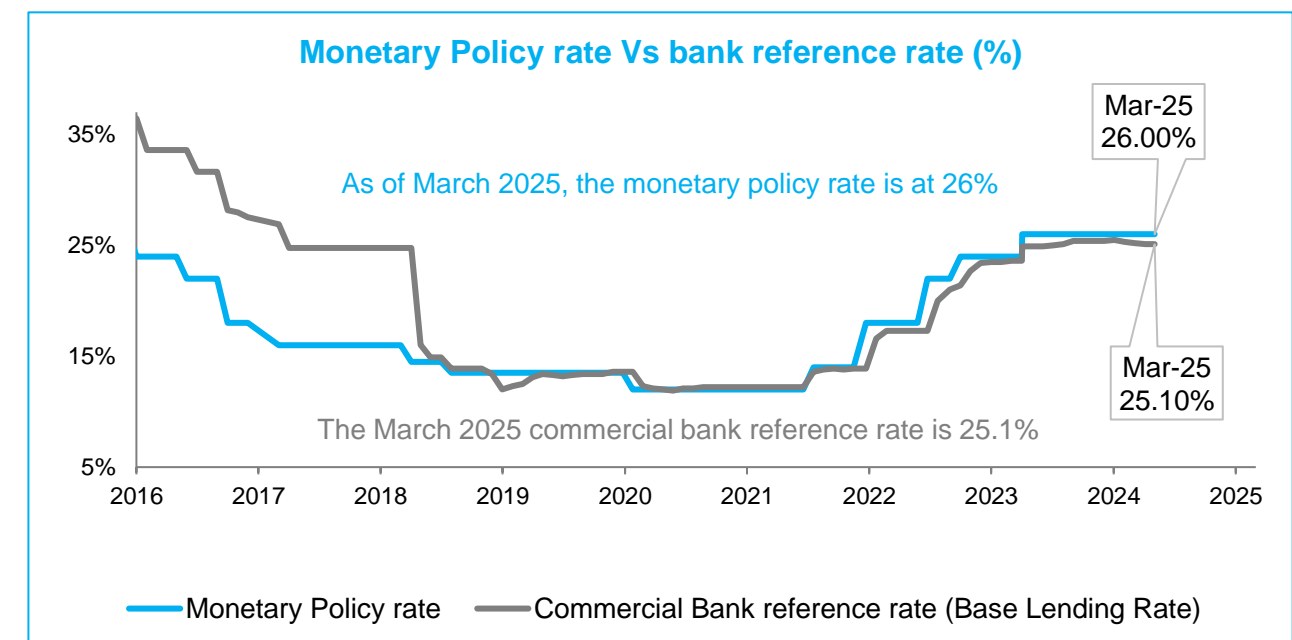
As disclosed in the local debt issuance calendar, the government seeks to raise MK398.9 billion through TN auctions and MK214.8 billion through TB auctions for a total of MK613.6 billion in the first quarter of 2025. This is a 22.6 % rise from the total MK500.7 billion sought in the fourth quarter of 2024.

Monetary Policy (Source: RBM, NBM)

At its first meeting of 2025, held on January 29–30, the MPC decided to maintain the Policy Rate at 26.0%, the Lombard rate at 20 basis points above the policy rate, and the Liquidity Reserve Requirement (LRR) at 10.0% for local currency deposits and 3.75% for foreign currency deposits.

This decision was influenced by a slowdown in overall inflation during the fourth quarter of 2024. However, food inflation increased in December due to maize shortages. The committee anticipates inflation will continue to decline, reaching 22.0% by the end of 2025, supported by favorable base effects and a prudent monetary policy. While this may create room for interest rate cuts, the committee cautions that rising food prices, external sector imbalances, and fiscal pressures pose risks to the expected disinflation trend.

The commercial bank reference rate for March 2025, effective 6 March 2025, is 25.1%, unchanged from the February 2025 reference rate of 25.1%





Commodity Market Developments

Maize, Oil, and other commodities market developments

The retail maize price increased by 21% to MK1,283/kg in the last week of January 2025 from MK1,063/kg in December 2024 due to low domestic supply, the weakening currency in the informal market, and fuel shortages further driving up the cost of imported inputs and goods.

The monthly average OPEC reference basket price decreased by 3.2% to USD76.81/barrel in February 2025 from USD79.38/barrel in January 2025. Year-on-year, it has declined by 5.4% from an average price of USD81.23/barrel as of February 2024.

Local Maize Price Developments (Source: IFPRI)

Data from the International Food Policy Research Institute (IFPRI) January 2025 monthly maize market report showed that prices increased by 21% to MK1,283/kg in the last week of January 2025 from MK1,063/kg in December 2024. The rise is primarily driven by a limited domestic supply following a poor harvest in 2024. As a result, Malawi now relies heavily on maize imports, mainly from Tanzania and, more recently, from Mozambique. Additionally, IFPRI indicates that the continued depreciation of the Malawian Kwacha in the informal foreign exchange market further inflates the cost of imported maize, intensifying price pressures. Persistent fuel shortages have also increased transport and operational expenses for traders, contributing to the overall price surge. The highest prices were recorded in the Southern region, followed by the Central region, with the Northern region having the lowest prices. The year-on-year comparison shows that the retail maize price has increased by 44.6% from MK887/kg in January 2024

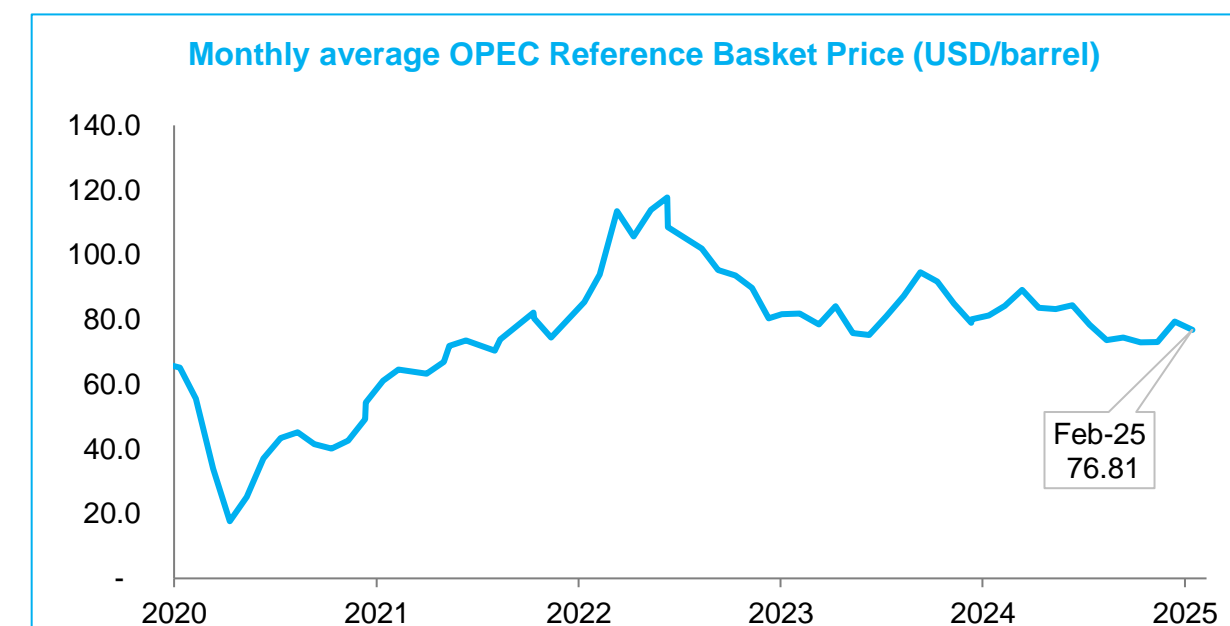
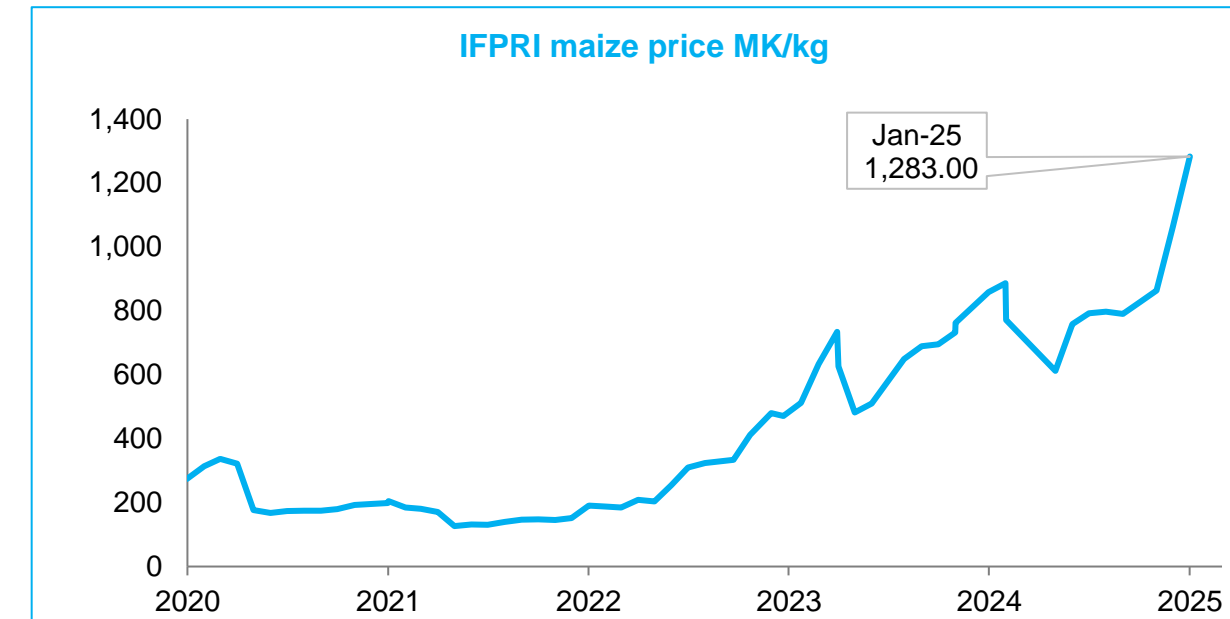
Global Oil Price Developments (Source: OPEC)

The monthly average OPEC reference basket price decreased by 3.2% month-on-month to USD76.81/barrel in February 2025 from USD79.38/barrel in January 2025 and declined by 5.4% year-on-year from USD81.23/barrel in February 2024.

In the February 2025 Monthly Oil Market Report, OPEC maintains its forecast of global oil demand growth at 1.4 million barrels per day (mb/d) for 2025, with the Organization for Economic Co-operation and Development (OECD) demand rising by 0.1 mb/d, year-on-year, and non-OECD demand growing by 1.3 mb/d. OPEC expects this growth to continue into 2026. Total world oil demand is anticipated to reach 104.1 mb/d in the first quarter of 2025 and average 105.1 mb/d for the year.

Other Commodity Price Developments (Source: World Bank)

According to World Bank's commodities price data, global tea prices decreased to USD2.69/Kg in February 2025 from USD2.78/Kg in January 2025. World sugar prices marginally increased to USD0.42/Kg in February 2025 from USD0.40/Kg in January 2025. For fertilizers, Urea prices increased to USD436.50 per metric ton (USD436.50/mt) in February 2025 from USD380.50/mt in January 2025, Diammonium Phosphate (DAP) prices increased to USD603.8/mt in February 2025 from USD582.70/mt in January 2025, and Potassium Chloride prices continued to rise to USD318.8/mt in February 2025 from USD302.0/mt in January 2025.



Overview of the 2025/2026 Budget Policy Statement

February 2025





The 2025/2026 national budget has been set under the theme “Consolidating Gains, Strengthening Resilience and Inclusivity for Accelerated Social Economic Transformation”

According to the budget policy statement, the total revenue (including grants) for the 2024/2025 financial year (FY) is estimated to close at MK4.35 trillion. Total expenditure is projected to close at MK6.14 trillion, leading to a fiscal deficit of MK1.79 trillion.

An Overview of the 2025/2026 Budget Policy Statement

Introduction

The 2025/2026 Budget Policy Statement, presented by the Minister of Finance, begins by acknowledging the subdued economic performance in recent years, driven by global and climatic shocks. It provides an overview of the economy’s key challenges and outlines the government’s response.

According to the statement, the Government aims to address the imbalance in foreign exchange reserves by implementing measures to boost productivity, increase foreign exchange earnings, and tighten foreign exchange management. The statement also asserts that the Government is addressing the unsustainable public debt, which stood at MK16.19 trillion (86.4% of GDP) as of September 2024, through fiscal consolidation, debt restructuring with creditors, and efforts to enhance domestic revenue mobilization to reduce reliance on borrowing and create fiscal space for productive investment.

The government’s economic stabilization strategy focuses on curbing domestic price volatility through a price stabilization policy and strengthened supply chain measures. These initiatives include establishing strategic reserves, securing supplier agreements, and ensuring a stable supply of staple foods like maize—through both enhanced local production and targeted imports—to protect consumers from abrupt price hikes. To secure foreign exchange, the budget outlines measures to diversify revenue streams and tighten control over speculative market activities. This includes creating a dedicated anti-forex crime unit, reinforcing legal and regulatory frameworks for exports, and restricting nonessential imports to encourage domestic production and preserve foreign exchange reserves, supporting sustainable economic growth.

The 2025/2026 national budget has been set under the theme “Consolidating Gains, Strengthening Resilience and Inclusivity for Accelerated Social Economic Transformation” and aims to stabilize the economy and to revitalize it by focusing on the key productive sectors of Agriculture, Tourism, Mining and Manufacturing (ATMM).

2024-25 Budget Performance

According to the statement, in the 2024/2025 Financial Year (FY), total revenue, including grants, is estimated to close at MK4.35 trillion, representing 23.2% of GDP. Total expenditure is projected to close at MK6.14 trillion, representing 32.8% of GDP. The expenditure comprises MK4.52 trillion in recurrent expenditure and MK1.62 trillion in development expenditure. The overall deficit is estimated at MK1.79 trillion. The deficit is estimated to be financed through domestic borrowing, amounting to MK1.59 trillion and foreign borrowing, amounting to MK196.49 billion.

Government reform programs

Public financial management reforms

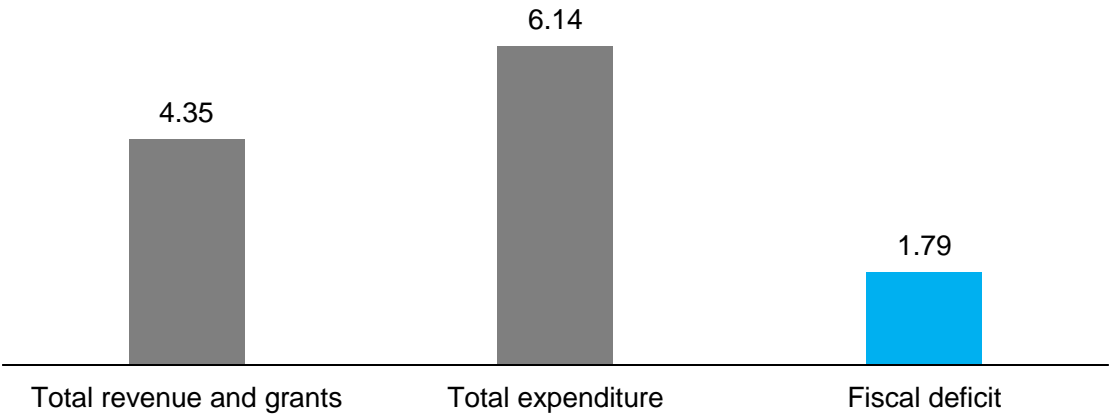
According to the budget policy statement, the Government will roll out an electronic procurement system in March 2025 to streamline processes and enhance transparency. This system is designed to curb corruption in public sector procurement.

Some state-owned enterprises have registered good performance from loss-making to profit-making with some remitting dividends to the Government, which amounted to over MK13.5 billion in the 2024/2025 Financial Year.

The statement states that the Government continues to advance the SAP-based Integrated Financial Management and Information System (IFMIS) to improve financial management. In 2024/25, transaction coverage expanded to include foreign missions, local councils, and debt transactions, and a Revenue Management Module was introduced. Additionally, the core banking system at RBM, FLEXCUBE, was upgraded for seamless integration with IFMIS, and a new datacenter at Capital Hill now hosts multiple government systems. In 2025/26, the Government intends to introduce a Human Capital Management Module for payroll and pension processing and upgrade IFMIS for local councils to enhance financial accountability.

The government has renewed Malawi Airlines' management contract with Ethiopian Airlines, which is set to be signed this year, to enhance efficiency and regional connectivity. It is also investing in airport modernization, including developing an Airport City at Kamuzu International Airport through a Public-Private Partnership, and has allocated funds to establish the Malawi Air Cargo Airline.

2024/2025 budget closing estimates (MK'trillion)





The total revenue and grants for the 2025/2026 financial year are estimated at MK5.58 trillion, and the total expenditure is estimated at MK8.05 trillion.

The 2025/2026 financial year's overall balance is estimated at a deficit of MK2.47 trillion, financed through domestic borrowing amounting to MK2.33 trillion and MK145.78 billion from foreign borrowing.

An Overview of the 2025/2026 Budget Policy Statement (continued)

The 2025/2026 Budget

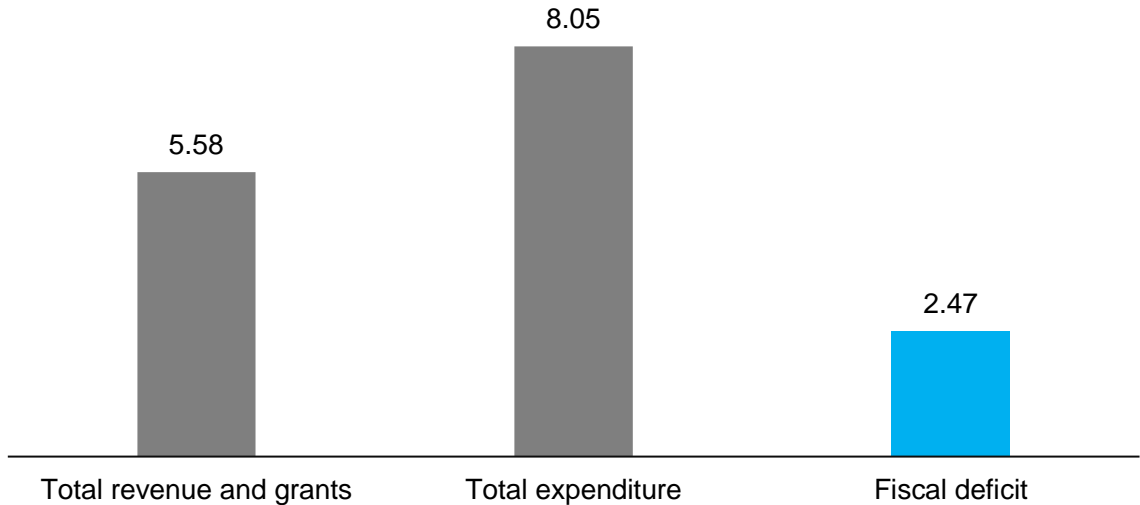
The budget assumes a real GDP growth rate and average inflation rate of 3.4% and 22.3%, respectively, for the 2025/2026 fiscal year.

The total revenue and grants for the 2025/2026 financial year are estimated at MK5.58 trillion, representing 21.5% of GDP. Domestic revenues are estimated at MK4.44 trillion, representing 17.1% of GDP, of which tax revenues are estimated at MK4.33 trillion and other revenues have been projected at MK106.02 billion. Grants are estimated at MK1.14 trillion, of which MK1.10 trillion are expected to come from international organizations and MK86.36 billion from foreign governments.

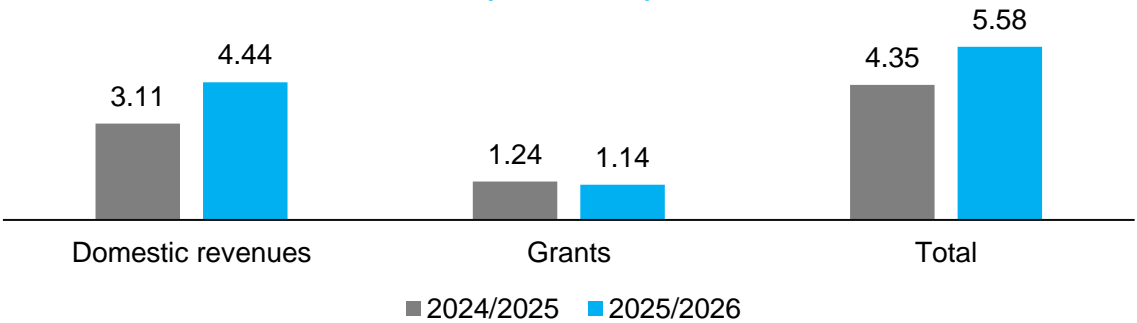
The total expenditure for the 2025/2026 financial year is estimated at MK8.05 trillion, representing 31.1% of the GDP. Of the total expenditure, recurrent expenses are estimated at MK6.04 trillion, representing 23.3% of GDP and 75.0% of total expenditure. Development expenditure is estimated at MK2.01 trillion, of which MK1.44 trillion is for foreign-financed projects and MK578.60 billion is for domestically financed projects.

The 2025/2026 financial year's overall balance is estimated at a deficit of MK2.47 trillion, which is 9.5% of GDP. This deficit will be financed through domestic borrowing amounting to MK2.33 trillion, representing 9.0% of GDP and MK145.78 billion from foreign borrowing.

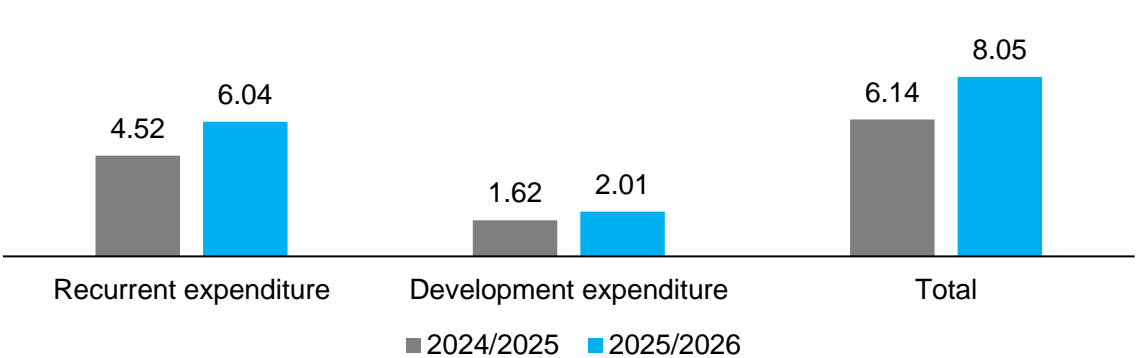
2025/2026 national budget estimates (MK'trillion)



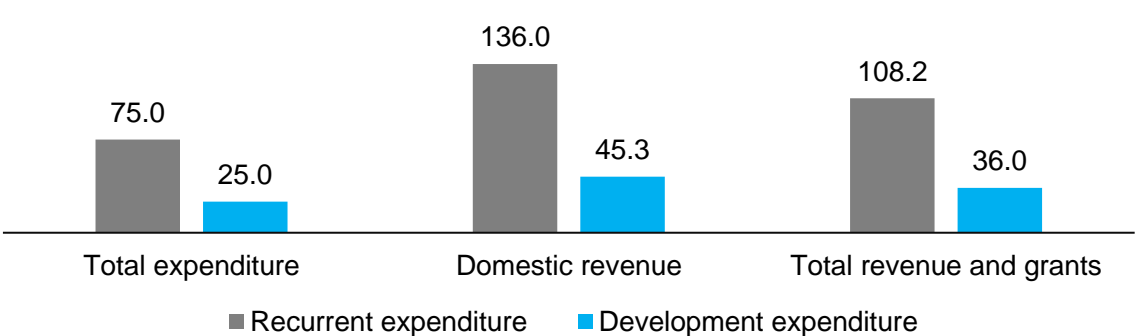
2025/2026 composition of total revenue and grants (MK'billion)



2025/2026 composition of total expenditure (MK'trillion)



2025/2026 proportion of recurrent and development expenditure (%)





Some key sector allocations of the 2025/2026 national budget include MK693.3 billion to the agriculture sector, MK13.9 billion to the tourism sector, MK14.2 billion to the mining sector and K14 billion to trade and industrial development.

An Overview of the 2025/2026 Budget Policy Statement (continued)

Highlights of the 2025/2026 Budget

- **Wages and salaries:** projected to grow to MK1.53 trillion, representing 5.9% of GDP, 19.0% of total expenditure, and 34.5% of domestic revenue.
- **Pension and gratuities:** estimated at MK170.4 billion, which will cater for the continued clearance of the backlog and monthly pension obligations.
- **Interest payment:** Public debt interest is projected at MK2.17 trillion, representing 8.4% of GDP, 27.0% of total expenditure and 49.2% of domestic revenues.
- **Maize purchases and allocation to the Agricultural Development and Marketing Corporation (ADMARC):** MK60 billion allocated towards maize purchases and the MK53 billion allocated to ADMARC to revamp its operations.
- **Affordable Inputs Programme (AIP):** The budget for AIP has been pegged at MK131.6 billion
- **Grants to other general government units:** estimated at MK543.1 billion. The composition of this includes a MK129.7 billion transfer to the Malawi Revenue Authority, MK101.1 billion for Roads Fund Administration, MK8 billion for Roads Authority, MK268.3 billion for Subvented Organisations, and MK36 billion for Tertiary Education students' loans.
- **Elections:** MK162.9 billion allocated to the Malawi Electoral Commission to enable them to manage the forthcoming tripartite general elections.

2025/2026 Key Sector Allocations and Development Projects

Agriculture and irrigation development

The budget statement highlights that the agricultural sector significantly contributes to the socioeconomic growth and development of the country; as such, the sector has been allocated a total of MK693.3 billion, representing 9% of the total budget. To mitigate the impact of El Niño-induced dry spells and ensure food security, the Government has allocated MK99.5 billion for Irrigation Development. According to the budget statement, with rainfed agriculture dominating food production, irrigation is critical to stabilizing maize yields, reducing food shortages, and protecting smallholder farmers from economic shocks. The Government aims to maximize utilization of 56,113 hectares of irrigable land, targeting a maize yield of about 337,000 metric tons.

Tourism

The Minister of Finance asserted that tourism remains one of Malawi's fastest-growing service sectors, with the potential to drive economic growth, job creation, and foreign exchange earnings. In the 2025/26 financial year, the Government has allocated MK13.9 billion compared to the MK4.8 billion in the 2024/2025 budget, representing a 192% increase to boost the sector.

Mining

In the 2025/2026 financial year, a total of MK14.2 billion has been allocated to the mining sector from MK5.5 billion allocated in the 2024/2025 financial year, representing a 160% increase. MK5.1 billion has been earmarked for the Mining Regulatory Authority; MK4 billion for the establishment of the Malawi Mining Company; MK4.1 billion for Mining and Geological Services; and MK1 billion for a mineral laboratory currently under construction.

Transport and ICT infrastructure

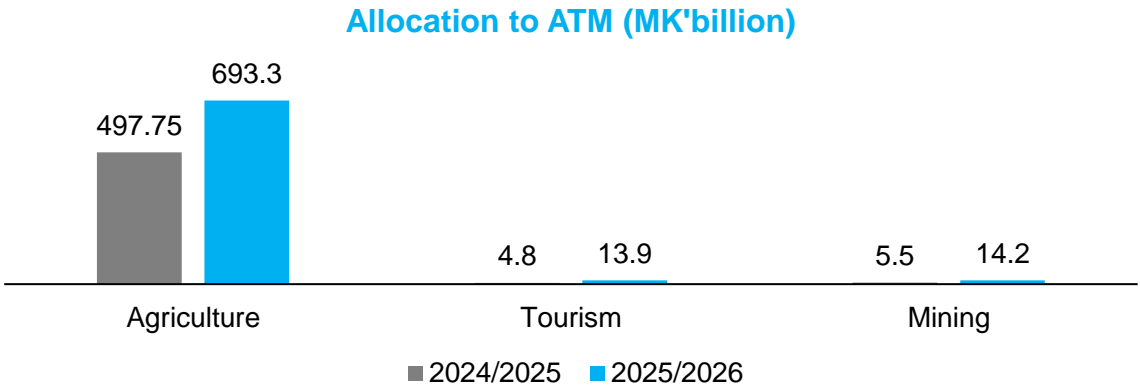
In the 2025/2026 financial year, the Transport and ICT infrastructure sector has been allocated resources amounting to MK422.3 billion. These resources have been allocated to the Ministry of Transport and Public Works, Roads Fund Administration, and the Ministry of Information and Digitalisation for their routine operations and implementation of development projects.

Energy

Some of the projects that the energy sector will implement in the 2025/2026 financial year include the Development of the Mpatamanga Hydropower Plant, Malawi Electricity Access Project, the Malawi-Mozambique Interconnector, Battery Energy Storage System (BESS) at Kanengo Substation, and Accelerating Sustainable and Clean Energy Access Transformation (ASCENT). Additionally, the Government is strengthening fuel procurement through Government-to-Government (G-to-G) arrangements to ensure a stable and sustainable fuel supply and reduce pressure on foreign exchange resources by streamlining transactions.

Trade and industrial development

In the 2025/26 financial year, K14 billion has been allocated to the Ministry of Trade and Industry to promote industrialization, support Small and Medium Enterprises, and expand export markets.





According to the budget statement, the value-added tax (VAT) on bread, buns, and confectioneries has been removed to ease the financial burden on households.

An Overview of the 2025/2026 Budget Policy Statement (continued)

Tax Policy for the 2025/2026 Budget

The Customs and Excise tax measures announced in the 2025/2026 budget policy statement will take effect on 1 April 2025 to provide businesses and importers ample time to factor in these changes when making key financial and operational decisions. Similarly, the Income Tax, Value Added Tax, and Administrative Measures will come into force on 1 April 2025, contingent upon the passage of the relevant Bills and the subsequent assent by the President.

Customs and excise tax measures

- Reduction in the applicable import duty and excise tax on all materials imported to construct amusement parks.
- Amendment of the Customs Procedure Code for duty-free clearance of various irrigation sector items to include pump engines of any size.
- Implementation of the following excise tax rates to promote the adoption of fuel-efficient hybrid vehicles:
 - For hybrid vehicles less than 8 years old, the excise tax will be reduced from 45% to 0%.
 - For hybrid vehicles between 8 and 12 years old, the excise duty will be lowered from 70% to 35%.
 - For hybrid vehicles older than 12 years, the excise tax will be reduced from 100% to 60%.
- Introduction of a 25% import duty on motor vehicle engines (imported separately) classified under tariff headings 84.07 and 84.08, encompassing engines for motor vehicles, locomotives, marine vessels, and tractors.
- Amendment of Customs Procedure Code 405, which is used for duty-free clearance of health-related imports, to include a title reading: "Goods for the use of Hospitals, Nursing Homes, Clinics, Surgeries, and Dispensaries as approved by the Principal Secretary for the Ministry of Health" and Part (c) of this CPC, which covered essential goods for COVID-19 prevention, treatment, and management, will be removed following the World Health Organization's declaration that COVID-19 is no longer a global health emergency.
- The excise tax on plastic carrying bags with handles will increase from 10% to 250%, encouraging the adoption of eco-friendly paper bags.
- Increase in the Customs Agency Bond under Form No. 123 from MK1.5 million to MK2 million to account for inflation and changing economic conditions.

Value added tax (VAT) measures

- Removal of VAT on bread, buns, and confectioneries to ease the financial burden on households, promote affordable access to essential food items, and support local bakeries and the broader food industry.

Income tax measures

- Introduction of mega farms as a priority sector and undertaking a comprehensive review of the Priority Industry Scheme Regulations. The Priority Industry Scheme provides qualifying companies with a tax holiday of up to 10 years and duty-free importation of capital items, serving as a key incentive to stimulate investment and drive economic growth
- Reduction of the corporate income tax rate for companies incorporated outside Malawi from 35% to 30% to align with the treatment of locally incorporated companies and international best practices
- Introduction of various offences related to tax stamps management. This measure is intended to enhance tax compliance, curb illicit trade, and safeguard government revenue.

Non-tax revenue measures

- Development of strategies to formalize the artisanal and small-scale mining sector. A key initiative is to encourage the small-scale miners to form associations, which will facilitate licensing, regulation, and compliance. By bringing these miners into the formal economy, they will be able to contribute their fair share to Government revenues through the payment of appropriate fees, levies, and taxes, thereby broadening the revenue base.

Appendices

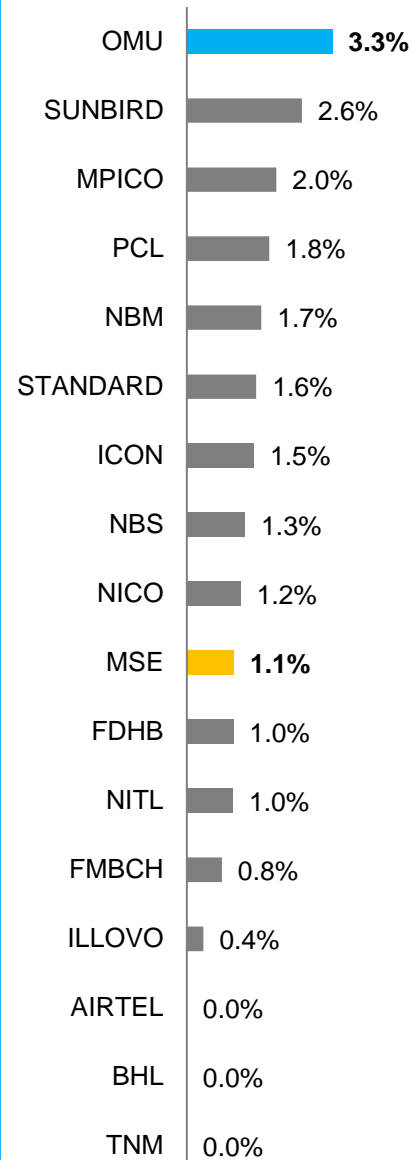


Appendix 1: Historical Monthly Economic Indicators

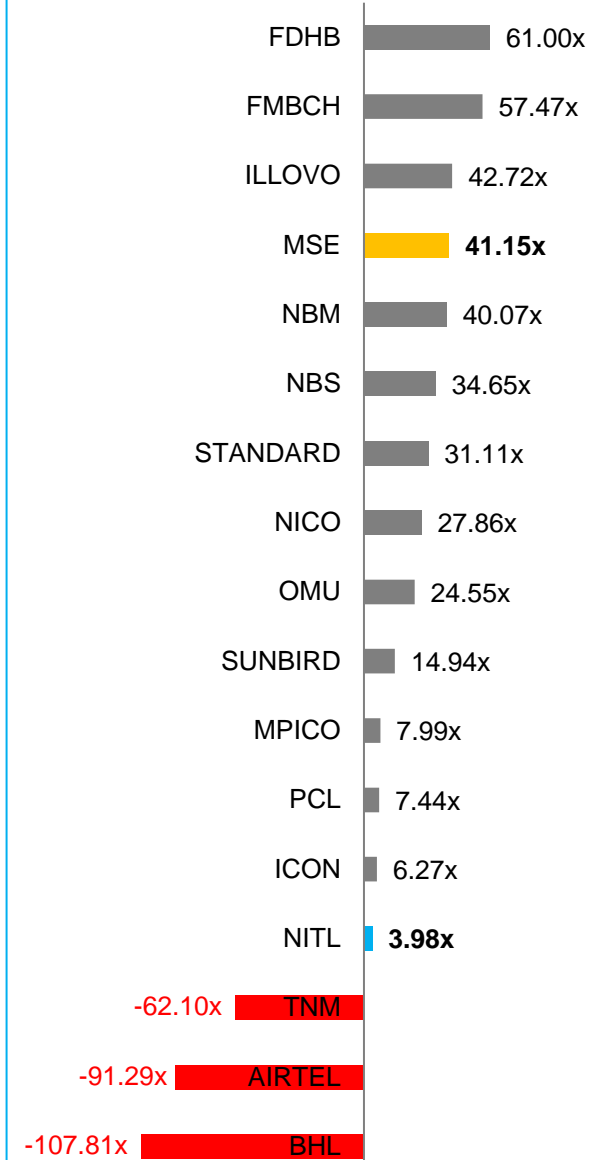
	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Exchange rates (middle rates)													
MK/USD	1,698.50	1,750.38	1,745.70	1,750.76	1,749.51	1,749.95	1,750.31	1,750.37	1,749.95	1,750.11	1,749.93	1,750.35	1,749.65
MK/GBP	2,217.83	2,268.77	2,256.81	2,285.22	2,274.74	2,311.11	2,368.68	2,411.29	2,338.28	2,290.94	2,250.25	2,233.84	2,268.53
MK/EUR	1,887.38	1,949.34	1,922.25	1,951.14	1,922.54	1,947.33	1,994.06	2,003.14	1,953.49	1,904.40	1,869.77	1,866.83	1,873.26
MK/ZAR	90.38	94.64	95.40	95.89	96.89	97.91	101.09	105.69	101.15	99.29	95.89	97.11	97.04
Foreign Exchange Reserves													
Gross Official Reserves (USD'mn)	143.60	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Private Sector Reserves (USD'mn)	396.72	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total reserves (USD'mn)	540.32	552.94	603.07	610.18	591.51	572.02	549.85	560.3	519.0	516.9	530.9	N/A	N/A
Gross Official Reserves Import cover (months)	0.57	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inflation													
Headline	33.5%	31.8%	32.3%	32.7%	33.3%	33.7%	33.9%	34.3%	32.4%	27.0%	28.1%	28.5%	N/A
Food	42.0%	38.8%	39.9%	40.7%	41.5%	41.9%	42.0%	43.5%	40.3%	33.7%	35.6%	36.0%	N/A
Non-food	22.1%	22.2%	22.4%	22.1%	22.2%	22.4%	22.7%	21.8%	21.2%	17.2%	16.8%	16.9%	N/A
Interest Rates													
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
Average Interbank Rate	22.63%	22.22%	22.54%	23.39%	24.17%	24.20%	24.37%	24.20%	24.20%	23.29%	23.20%	23.19%	23.20%
Lombard Rate	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%
Commercial Bank Reference Rate	24.90%	24.90%	24.90%	25.00%	25.10%	25.40%	25.40%	25.40%	25.40%	25.50%	25.30%	25.20%	25.10%
Government Securities Yields													
91-days Treasury Bill	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%
182-days Treasury Bill	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
364-days Treasury Bill	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
2-year Treasury Note	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%
3-year Treasury Note	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
5-year Treasury Note	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%
7-year Treasury Note	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
10-year Treasury Note	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Year-to-date Return													
MASI	1.88%	2.96%	2.95%	4.03%	9.15%	16.26%	27.33%	28.60%	32.69%	47.08%	55.06%	29.90%	64.92%
DSI	-2.21%	0.47%	0.46%	1.68%	7.63%	14.76%	27.45%	28.90%	33.57%	47.71%	52.11%	32.35%	50.42%
FSI	30.43%	20.39%	20.39%	20.38%	19.75%	26.76%	26.48%	26.54%	26.51%	42.71%	75.65%	15.08%	152.62%

Appendix 2: Selected stock market statistics as of 28 February 2025

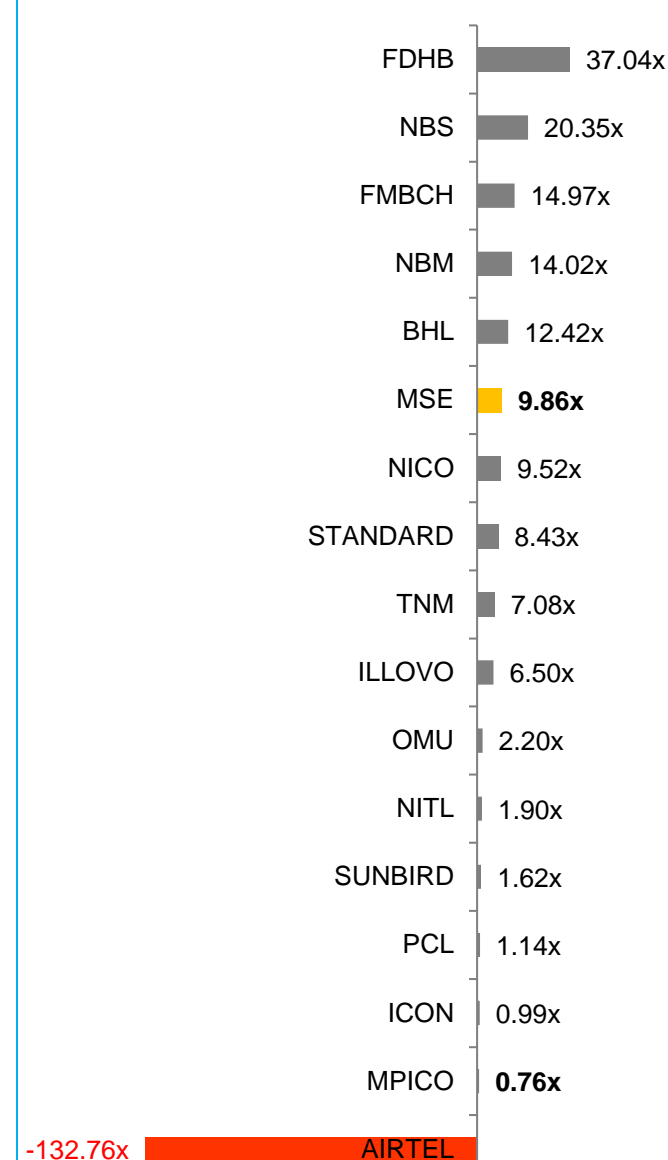
Dividend Yield (%) - the weighted average dividend yield on the MSE was 1.1% in February 2025. The counter with the highest dividend yield was OMU at 3.3%.



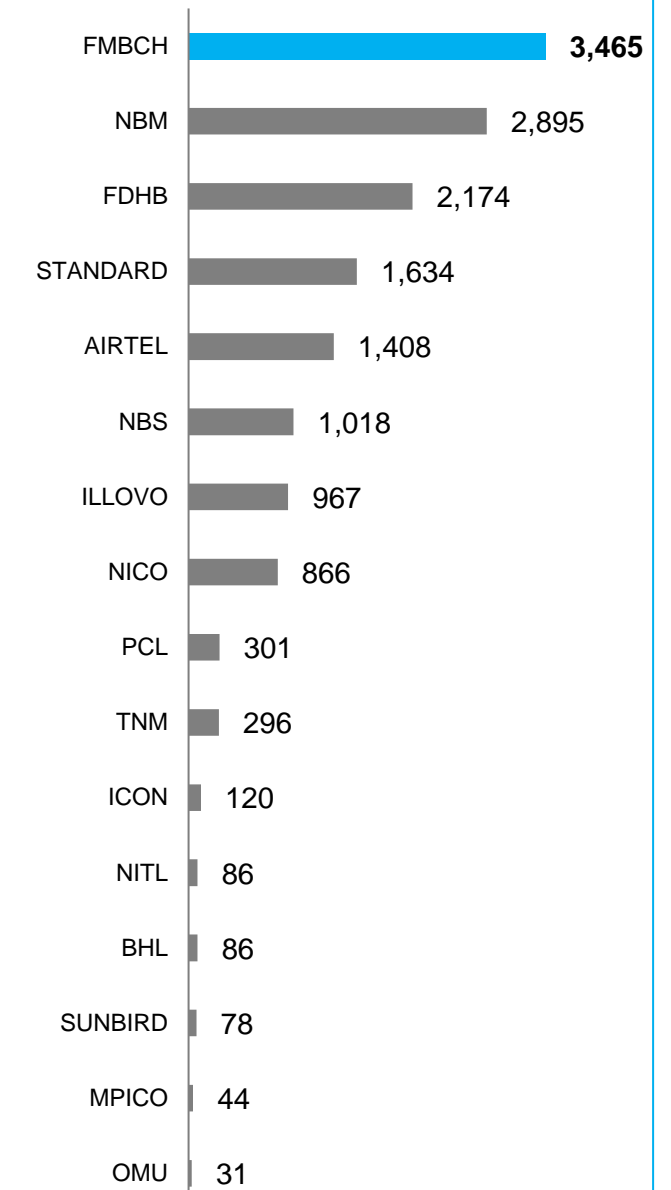
P/E Ratio - the weighted average price to earnings ratio on the MSE was 41.15x in February 2025. The counter with the lowest positive ratio was NITL at 3.98x.



P/BV Ratio - the weighted average price to book value ratio on the MSE was 9.86x in February 2025. The counter with the lowest positive ratio was MPICO at 0.76x.



Market Capitalization (MK'billion) - FMBCH had the highest market capitalization at MK3.47 trillion in February 2025.



Appendix 3: IMF, World Bank, and AfDB Projections

IMF projections

Annual percentage change (unless otherwise indicated)					
	2021	2022	2023	2024	2025
Real GDP	4.6	0.9	1.5	1.8	4.0
Consumer prices, annual average	9.3	20.8	28.8	30.6	15.3
Overall fiscal balance, including grants (% of GDP)	-8.3	-9.3	-9.2	-8.0	-5.6
Government debt (% of GDP)	66.5	76.7	91.3	84.5	82.3
Broad money (% of GDP)	20.1	23.6	25.2	25.2	25.2
External current account, including grants	-15.4	-16.7	-16.3	-13.9	-13.8
External debt (% of GDP)	37.4	31.3	33.2	41.3	43.0
Reserves (months of imports of goods and services)	0.2	0.4	0.7	1.9	3.0

Source: IMF Sub-Saharan Africa Regional Economic Outlook, October 2024

AfDB projections

Annual percentage change (unless otherwise indicated)				
	2022	2023	2024	2025
Real GDP growth	0.9	1.5	3.3	3.8
Consumer price index inflation	20.8	28.7	27.3	14.3

Source: AfDB Malawi Country Focus Report, July 2024

World Bank projections

Annual percentage change (unless otherwise indicated)					
	2021	2022	2023	2024 est.	2025 proj.
National Accounts and Prices					
GDP at constant market prices (% change)	2.8	0.9	1.6	1.8	4.2
Consumer prices (annual average)	9.3	20.9	28.7	33.6	27.3
Money and Credit (average)					
Broad money (% change)	23.6	34.3	34.0	45.5	45.5
Credit to the private sector (% change)	15.3	15.1	14.8	14.9	14.9
External Sector (US\$ millions)					
Exports (goods and services)	1,591.1	1,490.1	1,562.9	1,418.5	1,792.1
Imports (goods and services)	3,770.4	3,707.1	3,944.9	3,584.5	4,090.3
Gross official reserves	79.0	120.0	201.0	133.1	--
(months of imports)	0.3	0.5	0.7	0.5	--
Current account (% of GDP)	-15.2	-17.3	-16.1	-18.7	-16.5
Exchange rate (MWK/US\$ average)	805.9	949.0	1,161.1	1,738.34	--
Debt Stock					
External debt (public sector, % of GDP)	38.2	34.1	48.5	47.2	46.7
Domestic public debt (percentage of GDP)	19.3	42.6	42.8	38.2	36.5
Total public debt (percentage of GDP)	57.5	76.7	91.3	85.4	83.2

Source: World Bank Malawi Economic Monitor, January 2025

Appendix 4: EIU and Oxford Economics Projections

EIU projections

	2024	2025	2026	2027	2028	2029
Economic growth (%)						
Real GDP	1.3	1.6	2.3	2.5	2.8	3.0
Private consumption	1.1	1.2	2.2	2.8	3.0	3.2
Government consumption	1.5	1.6	2.1	2.0	1.9	1.8
Gross fixed investment	1.9	2.6	3.2	4.4	4.5	5.2
Exports of goods & services	3.9	3.6	5.0	4.9	5.2	5.0
Imports of goods & services	3.3	3.0	4.5	4.8	5.0	4.9
Domestic demand	1.2	1.4	2.3	2.9	3.1	3.3
Agriculture	-1.0	1.3	1.6	1.6	2.3	2.0
Industry	2.2	2.0	2.2	2.7	2.9	2.9
Services	2.2	1.6	2.6	2.9	3.0	3.5
Key indicators						
Consumer price inflation (av; %)	33.5	28.3	23.9	17.4	13.9	11.1
Government balance (% of GDP)	-4.8	-5.1	-4.8	-4.4	-4.2	-4.0
Current-account balance (% of GDP)	-13.5	-9.3	-8.1	-7.6	-5.8	-5.5
Short-term interest rate (av; %)	16.0	15.0	14.0	12.0	10.0	8.0
Exchange rate MK: US\$ (av)	1,730	1,816	1,993	2,204	2,414	2,629

Source: EIU Malawi Five-year Forecast Report, December 2024

Oxford Economics Projections

	2023	2024	2025	2026	2027
Annual percentage changes unless specified					
Real GDP growth	1.9	1.7	2.6	4.5	4.4
CPI inflation	28.6	32.2	21.0	12.8	8
Exports of goods (USD'bn)	1.1	1.1	1.2	1.3	1.4
Exports of services (USD'bn)	0.5	0.5	0.5	0.6	0.6
Imports of goods (USD'bn)	3	3.1	3.3	3.4	3.6
Imports of services (USD'bn)	1	0.9	0.9	0.9	1
Exports of goods	2.8	7.2	7.5	7.2	7.1
Imports of goods	4.5	4.3	4.6	4.6	4.7
Current account (USD'bn)	-2.3	-2	-1.9	-1.9	-1.9
Current account balance (% of GDP)	-18.1	-17.8	-14.1	-12.8	-11.9
Exchange rate per USD (year average)	1,161.1	1,734.3	1,825.3	1,929.9	2,035.2
External debt total (USD'bn)	3.6	4.8	5.3	5.7	6.1
Government balance (% of GDP)	-9.2	-7.2	-6.2	-5.7	-5.5
Government debt (% of GDP)	91.4	90	84.7	83.7	83.3
Population (million)	21.1	21.7	22.2	22.8	23.4
Nominal GDP (USD'bn)	12.6	11.4	13.6	14.7	15.7
GDP per capita (USD current prices)	595.3	526	613.8	645.1	671.1

Source: Oxford Economics Malawi Economic Forecast, February 2025

Appendix 5: World Bank commodity market prices

World Bank commodity prices

	Annual averages				Monthly averages						
	2021	2022	2023	2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025
Produce (USD/mt)											
Soybeans	583.0	675.0	598.0	462.0	400.0	391.0	442.0	436.0	409.0	411.0	412.0
Maize	259.5	318.8	252.7	190.6	170.3	185.0	190.3	201.3	202.6	214.4	220.9
Sugar & Tea (USD/Kg)											
Sugar - EU	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3
Sugar - U.S.	0.7	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Sugar - World	0.4	0.4	0.5	0.5	0.4	0.5	0.5	0.5	0.4	0.4	0.4
Tea - average	2.7	3.1	2.7	3.0	3.2	3.3	3.2	3.1	3.0	2.8	2.7
Fertilizers (USD/mt)											
DAP	601.0	772.2	550.0	563.7	546.0	554.8	573.4	574.5	568.3	582.7	603.8
Phosphate rock	123.2	266.2	321.7	321.7	152.5	152.5	152.5	152.5	152.5	152.5	152.5
Potassium chloride	542.8	863.4	383.2	295.1	294.0	286.9	278.1	281.0	292.5	302.0	318.8
TSP	538.2	716.1	480.2	474.6	507.2	504.4	503.8	491.0	477.5	478.0	480.6
Urea, E. Europe	483.2	700.0	358.0	338.3	342.5	337.5	374.8	352.3	352.0	380.5	436.5
Precious Metals (USD/toz)											
Gold	1,800.0	1,801.0	1,943.0	2,388.0	2,470.0	2,571.0	2,690.0	2,651.0	2,648.0	2,710.0	2,895.0
Platinum	1,091.0	962.0	966.0	955.0	945.0	967.0	999.0	966.0	938.0	949.0	978.0
Silver	25.2	21.8	23.4	28.3	28.5	30.1	32.4	31.1	30.8	30.4	32.2

Source: World Bank Commodities Price Data (The Pink Sheet), March 2025

Appendix 6: List of Acronyms and Abbreviations

ADMARC	Agricultural Development and Marketing Corporation	MK:	Malawi Kwacha
AfDB:	African Development Bank	Mn:	Million
AIP:	Affordable Input Program	MPC:	Monetary Policy Committee
ASCENT	Accelerating Sustainable and Clean Energy Access Transformation	MSE:	Malawi Stock Exchange
ATM	Agriculture, Tourism and Mining	Mt:	Metric tons
ATMM	Agriculture, Tourism, Mining and Manufacturing	MTL	Malawi Telecommunications Limited
av:	Average	NBM:	National Bank of Malawi Plc
BESS	Battery Energy Storage System	NBS:	NBS Bank Plc
BHL:	Blantyre Hotels Plc	NICO:	NICO Holdings Plc
bn:	Billion	NITL:	National Investment Trust Limited Plc
CPI:	Consumer Price Index	NSO:	National Statistical Office
DAP:	Diammonium Phosphate	OECD:	Organization for Economic Co-operation and Development
EIU:	Economist Intelligence Unit	OMU:	Old Mutual Limited Plc
EU:	European Union	OPEC:	Organization of the Petroleum Exporting Countries
EUR:	Euro	P/BV:	Price to book value
FDHB:	FDH Bank Plc	PCL:	Press Corporation Limited Plc
FMBCH:	FMB Capital Holdings Plc	P/E:	Price to earnings
FY:	Fiscal Year	RBM:	Reserve Bank of Malawi
GBP:	Great British Pound	TB:	Treasury Bill
GDP:	Gross Domestic Product	TN:	Treasury Note
IFMIS	Integrated Financial Management and Information System	TNM:	Telekom Networks Malawi Plc
IFPRI:	International Food Policy Research Institute	Toz:	Troy ounces
IMF:	International Monetary Fund	USD:	United States Dollar
Kg:	Kilogram	VAT:	Value Added Tax
LRR:	Liquidity Reserve Requirement		
MASI:	Malawi All Share Index		
Mb/d:	Million barrels per day		

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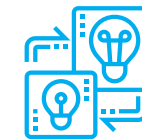
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